

20.7.20

Financial Accounts.

B. Component - I

Chapter Joint venture. Mercantile
course. (1) by S.M. Shukla.

By S.N. Pathak
Dept of Commerce.
R.N.C. Hajipur.

Question.

A & B. Entered into an agreement for a joint-venture on equal profit sharing basis. A bought goods from Rishonlal worth Rs. 7000 and took from his own stock, goods valued at 2000. He received Rs. 6000 from B. A then paid charges and expenses Rs. 1500. All the joint venture goods were sold for Rs. ~~124500~~ 124500. A cleared the account of Rishonlal. He is entitled to a commission of 4% on sales. He also paid the amount due to B. Give journal entries and write up joint venture account and B account in the books of 'A'.

Ans.

Journal entries in the book of A or

Date	Particulars	V.A.	Dr Amount	Cr Amount
	Bank A/c Dr To B Capital A/c (Being cash contributed by B for his share of capital.)		60000	60000
	Joint Venture A/c Dr To Purchase. m. (Being goods given from his own stock.)		20000	20000
	Joint Venture A/c Dr To Kishori Lal. (Being goods purchased on credit for Joint venture)		70000	70000
	Joint Venture A/c Dr To Bacc — (Being charges & expenses paid for joint venture)		1500	1500
	Bacc A/c Dr To Joint venture (Being goods sold.)		124500	124500
	Joint Venture A/c Dr To Commission.		4980	4980

Rishorlal Me dr
 To Bank —
 (Being final payment
 made to Rishorlal.)

70 000

70 000

Joint venture dr
 To PSL cr —
 " B cr —

28 020

14 010

14 010

(Being profit earned on
 Joint venture and distributed
 equally)

B Me dr
 To Bank —

74 010

74 010

(Being final settlement
 made to B)

B Account

Date	Particulars J.F.	Amount	Date	Particulars J.F.	Amount
	To Bank	74 010		By Bank (Capital.)	60 000
				" Joint venture	14 010
		<u>74 010</u>			<u>74 010</u>

Joint venture c.

date	Particulars	J.A	Amount	date	Particulars	J.A	Amount
	To Purchase		20000		By Balance		
	" Kishorilal		70000		(Sale)		124500
	" Bank (Exp)		1500				
	" Commission		4980				
	" PSL Dragn to						
	B. Capital		14010				
	PSL -		14010				
			124500				124500